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BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Paper No. 19

Application Number: 09/524,366
Filing Date: March 14, 2000
Appellant(s): GRENCHUS ET AL.

Jack P. Friedman (Reg. No. 44,688)
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed April 19, 2004.

(1) ***Real Party in Interest***

A statement identifying the real party in interest is contained in the brief.

(2) ***Related Appeals and Interferences***

A statement identifying the related appeals and interferences which will directly affect or be directly affected by or have a bearing on the decision in the pending appeal is contained in the brief.

(3) Status of Claims

The statement of the status of the claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct. No amendment after final has been filed.

(5) Summary of Invention

The summary of invention contained in the brief is correct.

(6) Issues

The issues argued in the Appeal Brief are correct.

(7) Grouping of Claims

Appellant's brief includes a statement that claims 1, 2 and 5 – 10 do not stand or fall together.

Group (1) includes claims 1, and 5 - 10.

Group (2) includes claim 2.

(8) Claims appealed.

The copy of the appealed claims contained in the Appendix to the brief is correct.

(9) Prior Art of record.

US 5,965,858	Suzuki et al.	Oct. 12, 1999
US 5,802,501	Graff	Sep. 1, 1998

(10) Grounds of rejection.

The following ground(s) of rejection are applicable to the appealed claims:

Claims 1, 2 and 5 – 10 stand rejected under 35 U.S.C. 103(a). This rejection is set fourth in the prior Office Action, Paper No. 15, and repeated immediately below.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 1, 2 and 5 - 10 are rejected under 35 U.S.C. 103(a) as being unpatentable over Suzuki et al. (US 5,965,858) in view of Graff (US 5,802,501).

As per claims 1 and 6 – 9, Suzuki et al teaches a method and system of optimally demanufacturing a product to recover a largest revenue, said method comprising:

providing said electronic product for demanufacturing, said electronic product having a plurality of parts, wherein each of said parts comprises one or more commodities (column 7, lines 23 – 25, "the discarded televisions to be reused as the restored material are pulverized or fragmented in the recycling factories whereupon some of the fragmented materials will be supplied to the manufacturer");

collecting one or more resale prices for said electronic product or parts (column 14, lines 32 – 35, "Market Information, details of which, i.e., used article information, are illustrated in FIG. 30. Contents: information of market prices of used articles, part demand information, etc."

collecting one or more resale prices for one or more of said parts respectively (column 42, lines 53 – 55, "The purchase prices of the material dealers are recorded in the material/part-based recycle method database 37 on a material-by-material basis").

collecting one or more commodity prices for one or more of said commodities respectively (column 42, lines 53 – 55, "The purchase prices of the material dealers are recorded in the material/part-based recycle method database 37 on a material-by-material basis");

determining if said electronic product contains hazardous materials (column 7, lines 44 - 60), and if so, determining a hazardous materials handling expense where information oncerning handling hazardous material contains how to recognize (column 6, lines 24 – 25, "wherein the component parts are classified into following categories or classes 2 to 6", where class 5 is hazardous materials), how to handle (column 7, lines 45 – 46, "hazardous materials and requiring special treatment will be treated properly by the manufacturer") and the cost to handle hazardous material (column 7, lines 57 – 58, "the energy-resource-destined material buyer"), where a buyer would contain the prices of items to be bought;

determination of the labor expenses and hazardous materials handling expense of removing electronic parts from computer products, however he does tabulate the "standard number of disassembling steps or processes involved hours)" (column 35, lines 23 – 24), where hours can easily be translated into an expense by multiplying the hours by an hourly salary rate.

entering said resale prices for said electronic product, said one or more resale prices for said one or more parts, said one or more commodity prices (column 10, lines 26 – 28, "in the market information database, there are stored information concerning the market prices of the used articles"), said labor expense (column 35, lines 23 - 24, "standard number of disassembling steps or processes involved hours, etc"), and said hazardous materials handling expense (column 6, lines 31 – 34, "component parts containing harmful/hazardous materials/substances and requiring special processing or treatment"), if any into a computer spreadsheet model;

Suzuki et al does not specifically mention creating a computer spreadsheet model that determines the highest revenue value of a commodity in order to determine which parts to remove and sell. It would be obvious to incorporate a computer do this because it would make calculations faster and more accurate to calculate.

Graff teaches a computer model based device (column 11, lines 40 - 43, " a LOTUS 123 program dedicated to the purpose of this invention") for finding the highest commodity value of the removed parts or subcomponents of a property (column 3, lines 20 – 22, "it is frequently possible to sell the components of the property for more than the price of that property") or a part (column 29, lines 58 – 60, "input data characterizing at least one of the two components decomposed from the property") and for performing a separation that will "maximize profitability of the components" (column 6, lines 25 - 27).

It would have been obvious to a person of ordinary skill in the art at the time the invention was made to consider the revenue generated from recovered parts and the cost associated with removing said parts in determining which parts to disassemble and recycle from a larger property because this would prevent a recycler from recycling parts that were not cost effective to recover and would provide the highest profit to one in the recycling business.

As per claim 2, Suzuki et al teaches the method of claim 1, wherein said resale prices, said commodity prices, said hazardous materials handling expense and said labor expense are provided from a database wherein said database is periodically updated (column 10, lines 31 – 40, "the market information database stores therein the market prices of the used articles for each of the types of the articles so that the market price information can be obtained when the restored article such as the restored televisions are to be recycled as the used article, as can be seen from FIG. 30. Besides, the information concerning the market prices of the used component parts of the article is also stored so that the market prices of the parts can be made available when they are to be recycled as the used parts") and (column 8, lines 55 – 57, "the recycle method decision processor unit further includes a recycle method decision module which stores therein a recycle processing decision procedure".

As per claim 5, Suzuki et al teaches a "spreadsheet model" (Figures 26 and 28 – 30).

As per claim 10, Suzuki et al teaches the computer program product, further comprising a database comprising said resale prices, said commodity prices, said hazardous materials handling expense, and said labor expense, and wherein said database is recorded on said medium (column 42, lines 53 – 55, "The purchase prices of the material dealers are recorded in the material/part-based recycle method database 37 on a material-by-material basis").

It would have been obvious to a person of ordinary skill in the art at the time the invention was made to combine the electronic parts disassembly and recycling reuse aspects of the Suzuki invention with the database of market-based prices in the Graff invention because having a price for a component would help determine if it was cost effective for an organization to recycle a part rather than buy a new one. Knowing the market-based price of a component would help in the buy new or recycle decision by allowing the user to know how much a recycled part would cost in order to consider obtaining used before buying new.

(11) ***Response to Argument.***

Response to Appellant's assertion: 1. Rejection of claims 1 and 5 – 10 is insufficient to constitute a prima facie rejection (page 4 of Appeal Brief).

Appellant argues that Suzuki in view of Graff does not teach the determination of a hazardous materials handling expense. However, Suzuki does teach the handling of a hazardous materials by a ("step of determining or deciding a special processing/treatment necessitating part containing harmful or hazardous materials") and the use of ("a procedure for separating the component parts containing harmful material/substances or hazardous material/substance as determined from the discarded article", column 31, lines 23 - 26). Suzuki also teaches special procedure for treatment for hazardous materials, ("Some of the parts containing harmful/hazardous materials and requiring special treatment will be treated properly by the part manufacturer route 6k, some of them will be sent to a harmful/hazardous material processing factory 14 built to this end to undergo proper treatment route 6i, and some will be sent to the harmful/hazardous material processing factory by way of the part manufacturer, route 10d. The

parts supplied to the harmful/hazardous material processing factory are classified into restoration-destined materials, energy-resource-destined materials and waste materials after the treatment, whereon the restoration-destined materials are sent to the material manufacturer route 14a, while the energy-resource-destined materials are transferred to the energy-resource-destined material buyer route 14b with the waste materials being disposed of for reclamation route 14c", column 32, lines 46 - 63). Since Suzuki does teach a decision process and several extensive processes for handling of hazardous materials, it is obvious that Suzuki does teach that additional effort is necessary to disassemble a part that contains a hazardous material, it is clear that any organization providing a service has an expense associated with the service. Thus, handling of hazardous material as taught by Suzuki, includes expense associated with this handling.

Response to Appellant's assertion: 2. Rejection of claims 1 and 5 – 10 is insufficient to constitute a prima facie rejection (page 5 of Appeal Brief).

Appellant argues that the extra labor expense involved in disassembling a part containing hazardous materials is not taught by the Suzuki invention. However Suzuki doe teach the calculation of a ("standard number of disassembling steps or processes involved hours", column 35, lines 23 - 25). Applicant further argues that the number of labor hours does not allow the calculation of a labor expense because Suzuki does not teach a fixed labor cost, a skill level for an hourly worker or why it would be obvious to do so. However, Suzuki does teach the ("the separation / sortings are commanded to the workers in accordance with the separation/sorting procedure for the part containing harmful/hazardous material/substance", column 43, lines 20 - 22) where the ("worker detaches the parts in accordance with the command", column 43, lines 65 - 66). Since the processes, procedures, steps and time necessary to disassemble a part are

known and specified, then the it would be obvious to know what skill level was necessary to perform each task and how much each workers would be paid to perform each step. Therefore the cost of disassembling a part is inherent in the known and documented processes, procedures and steps. Furthermore, the applicant has not stated in the claim language how labor costs are calculated and has not specified the use of labor rates and costs as being fixed or variable.

Response to Appellant's assertion: 3. Rejection of claims 1 and 5 – 10 is insufficient to constitute a prima facie rejection (page 7 of Appeal Brief).

Appellant argues that Suzuki does not teach determining whether the largest revenue value for a part is resale value, removed part value or commodity value. However, Suzuki does teach distinguishing between a part being reused, sold as parts or sold as commodities, ("The recycle decision means can make decision as to the proper recycle processing method or disposal processing method of the discarded article. For example, the recycle decision means can decide on the basis of the information concerning the article as inputted through the reading means as to whether or not the article satisfies condition that the article has a remaining life falling within the restoration-allowable life limit of the article as stored in the article specifications information database, wherein when the remaining life of the article falls within the restoration-allowable life limit, the recycle decision means issues such recycle processing decision or judgement result which indicates that the article is subject to restoration as a restored article, and if otherwise, the recycle decision means issues such recycle processing decision result while indicates that the article is subject to a disassembling processing for disassembling the article to individual component parts", column 3, lines 8 - 24). Furthermore, Suzuki teaches a decision process hierarchy by which an item is evaluated:

("Recycling Rules

(1) Discarded televisions are first classified into articles to be recycled as the reproduced or restored televisions for reuse and as the waste televisions incapable of restoration. The waste televisions incapable of restoration are to be subjected to disassembling on a component part basis, wherein the component parts are classified into following categories or classes (2) to (6), respectively.

(2) component parts to be reused as parts (referred to as reuse-destined parts),

(3) component parts to be reused as restored material,

(4) component parts to be reused as energy resource (referred to as energy-recovery-destined part),

(5) component parts containing harmful/hazardous materials/substances and requiring special processing or treatment,

(6) component parts to be disposed of for reclamation.

In this manner, the recycling rules are classified into six categories. In the case of the instant embodiment, the recycling rules are so stipulated that the discarded articles are to be effectively utilized to a possible maximum extent without disposal or throwing-away and cremation or burning. Next, in conjunction with the recycling rules (1) to (6) classified above, the article distribution/delivery routes following the processing in the recycling factories 6 and 7 will be explained by reference to FIG. 1.", column 6, lines 1 - 43).

Clearly reuse is taught in step 1, recycling is taught in steps 2, 3 and4, and sales as component materials is taught in steps 5 and 6.

Response to Appellant's assertion: 4. Rejection of claims 1 and 5 – 10 is insufficient to constitute a prima facie rejection (page 8 of Appeal Brief).

Appellant argues that the labor expense is not subtracted from the highest removed value to recover the largest revenue. However, as discussed in the afore mentioned responses, labor expense is inherent in the detailed teaching of labor hours involved in recycling parts. Furthermore, revenue value is a value before any cost or expense is subtracted, and is not a net value from which an expenses may be subtracted to produce a net value, as in the case of income. Therefore, since the applicant has claimed revenue, it is not possible to subtract a labor expense and still derive maximum revenue because this is not a revenue value, it is a net amount.

Response to Appellant's assertion: 5. Rejection of claims 1 and 5 – 10 is insufficient to constitute a prima facie rejection (page 9 of Appeal Brief).

Appellant argues that Suzuki does not teach executing a computer model to derive the calculation of maximum revenue. However, Suzuki does teach calculation of a cost and profit, ("the disassembling cost involved in separating or detaching the part from the discarded article as well as the fee charged for transportation is estimated by calculation, whereon the cost corresponding to the sum of the disassembling cost and the transportation fee is compared with the purchase price of the used part dealers for determining whether or not profit is resulted. When the profit is gained, then the part concerned is decided", column 40, lines 6 - 14). The Graff reference is brought in to demonstrate that the use of a computer to perform these types of disassembly valuation calculations would be obvious, ("a digital, electronic computer and a data processing system", column 1, lines 9 - 11), because to have the component valuation process performed by a computer would make the calculation process faster and more accurate.

Response to Appellant's assertion: 6. Rejection of claims 1 and 5 – 10 is insufficient to constitute a prima facie rejection (page 10 of Appeal Brief).

Appellant argues that the Suzuki and the Graff references are analogous art. However, both references teach the calculation of the value of an item and the subsequent value of the disassembled component parts. The Graff reference does teach an invention that calculates a value wherein ("it is frequently possible to sell the components of the property separately for more than the price that the property as a whole would command", column 3, lines 20 -23). Thus both references teach taking apart an item of value and further valuing the components in order to determine which state of the item would produce the largest value.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

ETS

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